PUBLISHED REPORT

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# CREDIT RATING REPORT

# ROCKWELL LAND CORPORATION

**Date:** December 22, 2025
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**Issue Credit Rating for Proposed Bond Issuance**

| Amount | Tenor | Interest Rates | Assigned Rating and Outlook |
|---|---|---|---|
| ₱7.0 billion, with an Oversubscription Option of up to ₱3.0 billion | 3 and 5 years | TBD | **PRS Aaa, Stable Outlook** |

**The first tranche from the Shelf Registration of up to* ₱20.0 billion

**Use of Proceeds: To fund the Company's capital expenditures**

**Rating Definition:**
Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings.

**Outlook Definition:**
An Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators and the general public. A **Stable Outlook** is assigned when a rating is likely to be maintained or to remain unchanged in the next 12 months.

## RATIONALE

**Established brand name, supported by the diversification of product offerings and geographical expansion**
Rockwell Land Corporation (ROCK; the Company) is a real estate company engaged in the development of residential and commercial projects that cater to the high-end and upper-mid markets. From its initial focus of developing high-rise condominium projects in Metro Manila, the Company began offering mid-rise towers, horizontal projects, and socialized and economic housing developments. ROCK's commercial projects include its flagship Power Plant Mall in Rockwell Center Makati (Power Plant Mall Makati), retail community townships, and several office buildings in Metro Manila. The Company also launched its first provincial development in 2013, and it has strategically shifted its focus to developing more horizontal projects outside of Metro Manila since the pandemic. It also ventured into the hospitality market with the launch of the Aruga Serviced Apartments.[1]

[1] Serviced apartments are temporary accommodations that offer the space and privacy of an apartment unit, combined with the services of a hotel, offering amenities such as kitchens, living areas, and housekeeping.

With 30 years of developing real estate projects in the Philippines, ROCK has built a strong and reputable brand, particularly in high-value residential and commercial properties. Its growth over the past years was supported by the diversification of its product offerings, the strong take-up of its projects, and its ability to develop projects across numerous locations in Metro Manila and in growing provincial areas, such as Pampanga, Laguna, Batangas, Cebu, and Bacolod. From December 2024, ROCK launched three premium residential projects in provincial areas, banking on the relatively more resilient demand for luxury projects and the residential sector outside the capital region. Aside from its pipeline of newly launched residential projects, more residential units and leasable spaces will also be added to its mixed-use communities in Pampanga, Batangas, Cebu, and Bacolod. In line with this strategy, the Company also recently acquired a majority stake in Alabang Commercial Corporation (ACC), the owner and operator of Alabang Town Center (ATC). ATC is a retail and office center in Alabang, Muntinlupa, which sits on a 17.5-hectare (ha) land area and reportedly has around 500 retail and office tenants. In addition to this, ROCK is gearing up to launch its second Power Plant Mall in Rockwell at Nepo Center in Pampanga in 2027. It is likewise preparing to start the construction of its first full-service hotel in Mactan, Cebu next year. With ROCK's established reputation in the property sector, the Company is able to form joint ventures (JVs) with local and international real estate companies to further develop projects.

ROCK has a total land bank of over 500 ha, significantly more than its total land bank before the onset of the pandemic.

**Solid management team and support from Parent Company**

The growth of ROCK's brand and reputation can be attributed to its seasoned management. Its senior leaders have a long-standing tenure with the Company, dating back to when ROCK's developments were focused on high-rise condominiums in Makati. Their leadership has steered ROCK past global crises that disrupted economies, such as the Asian Financial Crisis, which occurred a few years after the Company began its operations, the 2008 Global Financial Crisis and the COVID-19 pandemic.

Nestor J. Padilla serves as the Chief Executive Officer (CEO) of the Company since 1995, and a Director since 1997. Mr. Padilla also served as the President from 1995 and 2023. He vacated the President position in February 2023 following the passing of Ambassador Manuel M. Lopez to assume the role of ROCK's Chairman. He also previously served as a Director of ROCK's subsidiaries and other companies under First Philippine Holdings Corporation (FPH; Parent Company). Prior to his stint in the Company, he was the CEO of Lippo Land, a real estate company in Indonesia.

Valerie Jane L. Soliven is ROCK's President since 2023, after taking over the designation from Mr. Padilla. She has also been a Director and the Company's Chief Operating Officer (COO) since the same year. Ms. Soliven has been with ROCK for more than 28 years. Prior to her appointment as President, she was the Company's Chief Revenue Officer (CRO) and headed the Sales and Marketing team for more than 20 years. Before joining ROCK, she worked for the Shangri-La Hotel in Manila and Singapore.

As of end-September 2025, FPH owned 86.6% of ROCK. FPH is a Philippine holding company with interests in power generation, real estate, energy solutions, and construction. The Parent Company is owned by the Lopez Family, which is among the prominent families in the Philippines.

**Sustained growth in profitability**

ROCK's profitability consistently improved in the past five years, with consolidated net income rising from ₱1.3 billion in 2020 to ₱4.1 billion in 2024. Such was equivalent to a compounded annual growth rate (CAGR) of 34.4%. Growth was supported by the annual increase in total consolidated revenues, which was on an uptrend from ₱11.2 billion in 2020 to ₱20.1 billion in 2024. Revenues from the sale of real estate, the Company's main revenue driver, expanded from ₱7.2 billion in 2020 to ₱14.6 billion in 2024, driven by the robust sales of its residential projects. Lease income similarly grew annually over the period, on the back of strong tenant sales and rental escalations.

Total costs and expenses climbed from ₱8.5 billion in 2020 to ₱13.6 billion in 2024, backed by the steady increase in real estate costs, which was in line with the uptrend in real estate sales. ROCK's top line growth outpaced the growth in its costs and expenses over the period. As such, earnings before interest, taxes, depreciation, and amortization (EBITDA) jumped from ₱3.7 billion in 2020 to ₱7.9 billion in 2024. EBITDA margin increased from 33.6% to 39.3% over the same period. Net profit margin (NPM) notably grew from 11.3% in 2020 to 20.5% in 2024. Return on average assets (ROAA) likewise improved from 2.0% to 5.3%.

In the first nine months of 2025 (9M 2025), top line recorded a year-on-year (YoY) increase of 6.5% from ₱14.0 billion in 9M 2024 to ₱15.0 billion. Such was led by higher bookings and revenues recognized from ROCK's high-end residential projects. Lease income grew to ₱2.0 billion for the period, stemming from improved occupancy and rental escalations in the Company's retail and office developments. Total costs and expenses increased, but at a slower rate of 2.3% YoY to ₱9.5 billion. As a result, consolidated net income expanded YoY by 13.1% to ₱3.5 billion in 9M 2025. EBITDA margin and NPM improved to 43.6% and 23.3% in 9M 2025, respectively.

ROCK expects to sustain its earnings growth going forward, led by the anticipated revenue generation from its newly launched and upcoming projects. Lease income will also prop up ROCK's top line. The average NPM and ROAA over the projected period are seen to remain at healthy levels.

**Strong liquidity position**

ROCK was able to maintain sound liquidity levels, with its current ratio improving from 2.4x as of end-2020 to 3.2x as of end-2024. Net operating cash flow remained positive in the past five years driven by its recurring income base, ROCK's growing pre-tax income and its collection of trade receivables.

As of end-September 2025, ROCK's current ratio was at 2.9x due to a reduction in contract assets and real estate inventory resulting from the consolidation of a newly acquired subsidiary, alongside the additional loan availments for the period. Nonetheless, liquidity levels remained more than adequate.

ROCK is expecting to sustain its healthy liquidity position over the projected period. Its current ratio is projected to remain more than ample.

**Conservative capital structure, even amid recent expansion**

Despite ROCK's land acquisitions and recent project launches, the Company was able to maintain a conservative capital structure over the historical period. From 1.0x as of end-2020, ROCK's debt-to-equity (DE) ratio gradually eased to 0.8x as of end-2024. The easing of leverage levels was driven by the Company's equity expansion, as it grew from ₱24.9 billion as of end-2020 to ₱35.8 billion as of end-2024 (CAGR: 9.6%). Such growth was supported by the plowback of earnings. Total debt, on the other hand, grew at a slower rate from ₱24.8 billion as of end-2020 to ₱29.2 billion as of end-2024 (CAGR: 4.2%). ROCK's capital structure remained conservative as of end-September 2025 at 0.9x.

Leverage levels are foreseen to remain manageable over the projected period. The Company intends to finance its expansion with a mix of debt and internally generated funds. The continued earnings plowback will likewise support the Company's leverage position.

## BUSINESS PROFILE

ROCK is a real estate company engaged in the development and sale or lease of residential and commercial units and lots that caters to the high-end and upper-mid markets in Metro Manila. The Company was incorporated in the Philippines on August 11, 1975, as First Philippine Realty and Development Corporation before it changed its business name to Rockwell Land Corporation on February 23, 1995. The Company was listed in the Philippine Stock Exchange (PSE) on May 11, 2012.

In 1995, the Company ventured into its first project: converting the decommissioned thermal power plant site in Makati City into an upscale mixed-use community known today as Rockwell Center Makati.[2] This 15.5 ha site is located between the Makati and Ortigas central business districts (CBDs). The West Block, consisting of four towers (Hidalgo Place, Luna Gardens, Rizal Tower, Amorsolo Square), was the first residential development within Rockwell Center. ROCK completed and handed over these towers to the unit owners starting 1999. Shortly after, the Company opened Power Plant Mall (PPM) to the public in December 2000. Aside from these developments, Rockwell Center Makati now also has several high-rise residential buildings and office buildings, an exclusive leisure club (Rockwell Club)[3], a graduate school, and two office buildings (owned by Nestle Philippines and the PHINMA Group).

From initially focusing on the development of high-rise condominiums in Metro Manila, ROCK diversified its product offerings beginning December 2013, with the launch of 32 Sanson in Cebu. To date, the Company has broadened its portfolio through the development of mid-rise condominium units, horizontal projects, and socialized and affordable housing projects. Aside from Power Plant Mall Makati, ROCK also develops pocket retail spaces, usually located on the ground floor of its residential and office projects, and community retail developments. The Company also ventured into the hospitality segment in 2013 through the launch of Aruga Serviced Apartments. The Company likewise expanded its footprint outside of the capital region, as it offered its developments in Pampanga, Laguna, Batangas, Bulacan, Cebu and Bacolod.

### Operations

ROCK's primary operations are divided into the following two segments: Residential Development and Commercial Development.

**Table 1: Breakdown of ROCK's Revenues by Segment**

| | | | | | | | % to total | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in Millions PHP | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Residential Development | 12,938 | 8,816 | 10,300 | 12,217 | 14,434 | 15,862 | 79.2% | 79.0% | 81.0% | 74.0% | 78.0% | 79.0% |
| Commercial Development | 3,388 | 2,343 | 2,423 | 4,291 | 4,077 | 4,224 | 20.8% | 21.0% | 19.0% | 26.0% | 22.0% | 21.0% |
| Retail | *1,800* | *909* | *999* | *1,765* | *2,237* | *2,470* | 11.0% | 8.1% | 7.9% | 10.7% | 12.1% | 12.3% |
| Office | *995* | *955* | *906* | *988* | *1,131* | *1,198* | 6.1% | 8.6% | 7.1% | 6.0% | 6.1% | 6.0% |
| Hotels | *290* | *76* | *80* | *190* | *218* | *236* | 1.8% | 0.7% | 0.6% | 1.2% | 1.2% | 1.2% |
| Others* | *303* | *403* | *438* | *1,348* | *491* | *320* | 1.9% | 3.6% | 3.4% | 8.2% | 2.7% | 1.6% |
| Total | 16,326 | 11,159 | 12,724 | 16,508 | 18,511 | 20,086 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

**Others include cinema revenues, sale of office spaces, and others*

### Revenue Performance by Business Segment

Historically, ROCK's steady top line growth was driven by its Residential Development. From 2020 to 2024, revenues from this segment had an average share of 78.2% to total revenues. Recovering from the COVID-

[2] https://www.theurbanroamer.com/rockwell-power-plant-mall/

[3] Opened in December 1999, the Rockwell Club offers its residents and shareholders a facility for sports, social, and recreational activities within Rockwell Center Makati.

19 pandemic that disrupted real estate operations globally, ROCK's residential segment showed an upward trend beginning in 2021. Such was spurred by its solid booked sales and continued progress in the construction of ongoing projects.

ROCK's Residential Development segment grew to ₱15.9 billion, backed by the higher percentage of completion of ongoing developments. The segment registered a CAGR of 15.8% from 2020 to 2024. Reservations sales amounted to ₱15.6 billion for the year, which was 23.2% lower than the previous year. Such was on account of the strategic delay in the initial launch target of new projects.

In 9M 2025, revenues from the Residential Development segment increased by 7.7% to ₱11.8 billion for the period, despite the reported oversupply in condominium inventory in the capital region. ROCK's management stated that the Company is unaffected by the situation, as the glut primarily affects mid-market projects. ROCK's portfolio is mainly composed of projects catering to the high-end segment.

**Table 2: Breakdown of Residential Development Revenues**

| | | | | | | % to total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **in Millions PHP** | **2020** | **2021** | **2022** | **2023** | **2024** | **2020** | **2021** | **2022** | **2023** | **2024** |
| High-end residential condominiums | 4,787 | 4,847 | 8,363 | 9,575 | 12,856 | 67.6% | 54.8% | 77.1% | 76.9% | 83.9% |
| Residential lots | 1,817 | 3,144 | 1,886 | 2,108 | 1,569 | 25.6% | 35.6% | 17.4% | 16.9% | 10.2% |
| Affordable housing units | 239 | 457 | 12 | 16 | 20 | 3.4% | 5.2% | 0.1% | 0.1% | 0.1% |
| Total Residential Development revenues* | 7,085 | 8,842 | 10,843 | 12,459 | 15,323 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

**the total excludes interest income*

As seen in the table above, majority of ROCK's real estate revenues come from the sale of high-end condominium units. Its share to total Residential Development revenues jumped from 67.6% in 2020 to 83.9% in 2024, following the numerous launches ROCK has made throughout the period. The share of revenues from the sale of residential lots to total Residential Development revenues declined from 25.6% in 2020 to 10.2% in 2024. It peaked, however, at 35.6% in 2021, attributable to the progression of the development of the Company's horizontal projects. Sales of its affordable housing projects were minimal, with an average share of 1.8% to total Residential Development revenues from 2020 to 2024.

On the other hand, revenues from the Commercial Segment had an average share of 21.8% to total revenues from 2020 to 2024. Commercial Development revenues were up by a modest rate of 3.6% to ₱4.2 billion during the period (CAGR from 2020 to 2024: 15.9%). This was due to the increase in leasing income and contributions of the sales of retail tenants. Revenues from hotel operations, though still minimal, grew from ₱218 million in 2023 to ₱236 million in 2024. Hotel revenues had a less than 2% share to total revenues throughout the period. In 9M 2025, Commercial Development revenues registered a modest 4.5% YoY increase to ₱3.2 billion, supported by improved occupancy rates and rental escalations in its commercial assets.

Revenues from the Commercial Development segment, which includes office sales, commercial leasing, hotel operations, and other income, increased annually from ₱2.3 billion in 2020 to ₱4.3 billion in 2022. Revenues from retail operations increased from ₱909 million to ₱1.8 billion due to the growth in sales of tenants, and higher occupancy and lease rates. Office leasing meanwhile inched up from ₱955 million to ₱988 million, supported by healthy occupancy even amid the pandemic. Revenues from hotel operations doubled from ₱76 million in 2020 to ₱190 million in 2022. Other Revenues recorded a rapid growth from ₱438 million in 2021 to ₱1.3 billion in 2022, backed by strong sales of office space. This was attributed to the sale of office spaces in 1Proscenium, in an effort to boost liquidity amid the pandemic. The Commercial

Segment then dipped to ₱4.1 billion in 2023 due to lower office space sales, partially offset by higher revenues from the Company's retail, office, and hotel developments.

## Geographic Market

**Table 3: Revenue by Location**

| in Millions PHP | 2020 | 2021 | 2022 | 2023 | 2024 | % to total 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| National Capital Region | 5,163 | 5,887 | 9,453 | 9,028 | 9,163 | 62.4% | 58.8% | 71.9% | 63.6% | 53.6% |
| Central Luzon | 0 | 0 | 0 | 0 | 1,347 | 0.0% | 0.0% | 0.0% | 0.0% | 7.9% |
| Southern Luzon | 2,056 | 3,600 | 1,791 | 2,270 | 1,612 | 24.9% | 36.0% | 13.6% | 16.0% | 9.4% |
| Central Visayas | 1,049 | 526 | 1,442 | 1,882 | 3,256 | 12.7% | 5.3% | 11.0% | 13.3% | 19.1% |
| Western Visayas | 0 | 0 | 455 | 1,019 | 1,705 | 0.0% | 0.0% | 3.5% | 7.2% | 10.0% |
| Total* | 8,268 | 10,014 | 13,141 | 14,198 | 17,083 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

**Total revenues from contracts with customers (combined Residential and Commercial segment, excluding lease and interest income)*

In terms of location, ROCK has been generating more than half of its revenues in Metro Manila, increasing from ₱5.2 billion in 2020 to ₱9.2 billion in 2024. Particularly, the Edades West project has been recording a strong sales performance. In 2024, revenues from the project reportedly accounted for around 24% of ROCK's total revenues for the year. Central Visayas was ROCK's second-highest source of earnings in 2024, overtaking Southern Luzon. Revenues from this region recorded a robust 73.0% growth to ₱3.3 billion for the year. Southern Luzon was the Company's third-highest source of revenues for the year, recording ₱1.6 billion in 2024 (down by 29.0%). From December 2024, the Company launched three projects outside the capital region: one in Bulacan and two in Batangas. It is expecting to launch another premium residential development in Batangas this year.

## Business Segments

<u>Residential Development</u>

This segment is engaged in the development, sales, and property management of all residential units of the Company's residential projects. ROCK has a diverse residential portfolio. The following are among the Company's pioneering and notable developments:

Completed Projects

*West Block Residential Towers*

This development stands as the first residential project of the Company to be offered within Rockwell Center Makati, which is the Company's 19.1 ha mixed-use development in Makati City. The West Block project is approximately 2.8 ha in size, comprised of four towers (Hidalgo Place, Luna Gardens, Rizal Tower, Amorsolo Square) with 856 residential units in total. This development includes amenities exclusive to residents, such as green spaces, playgrounds, swimming pools, barbeque areas, and a nearby walkway to the Power Plant Mall Makati.

*205 Santolan by Rockwell*

ROCK expanded its product offerings with the launch of 205 Santolan in 2012, which is its first townhouse community project. This 1.8 ha low-density development comprises 105 units, inclusive of master-planned landscaping and amenities, such as a clubhouse, a fitness center, a function room, and pools. 205 Santolan is situated near the Santolan-Ortigas Avenue intersection and other major thoroughfares.

*53 Benitez and The Vantage at Kapitolyo*
Rockwell Primaries Development Corporation (Rockwell Primaries)[4] was incorporated in 2012 to develop real estate projects with the Company's brand of quality at a more affordable price range under the "Primaries" brand.

In July 2013, ROCK launched 53 Benitez, its first project of the Primaries brand. Situated in a one hectare lot in Quezon City, 53 Benitez is a 358-unit mid-rise condominium that primarily targets end-users such as young and start-up families.

The Company then launched The Vantage at Kapitolyo, its first integrated high-rise condominium of the Primaries brand in 2021. Located in Pasig, the project consists of two towers with a total of 755 units. The first and second tower were completed in 2021 and 2023, respectively.

*Proscenium*
The Proscenium is a mixed-use project in Rockwell Center Makati spanning 3.6 ha. This development has five residential towers (Sakura, Kirov, Lincoln, Lorraine, The Proscenium Residences) with unit prices ranging from ₱13 million to ₱120 million. The construction of these towers was completed in 2023. Aside from this, Proscenium has a strip of restaurants, a grocery store, and other retail spaces. The development also includes 1Proscenium, a 21-storey green-certified office building with a gross leasable area (GLA) of 12,153 sqm. About 51% of leasable areas were launched for sale in 2021.

Proscenium is connected to the Power Plant Mall via The Link, a walkway bridge that gives residents direct access to ROCK's flagship mall.

In addition to these, Proscenium also features the new Proscenium Theater which hosts theatrical and musical performances. Its main hall includes a 16x16 meter performing stage and offers 780 seats, while The Black Box, a smaller space for more experimental productions, has up to 300 seats. PhilRatings views the proximity of the theater to ROCK's retail areas positively, as such could further boost foot traffic in the latter.

*32 Sanson*
This residential project is marked as ROCK's first project outside Luzon. Standing on a 3.1 ha lot in Lahug, Cebu City, 32 Sanson has five residential buildings, with units priced from ₱8.0 million to ₱64.8 million. Units are sized from 30 to 230 sqm. The first phase of the development, which included 132 units, was launched in December 2013. The second and third phases were then completed in 2019 and 2022, respectively. 32 Sanson is situated near business districts and retail centers. The last tower of the 32 Sanson project was completed in July 2025.

Ongoing Projects
*Terreno South*
The Terreno South project is ROCK's first horizontal project, offering a total of 359 open lots in its first two phases that were launched in 2018 and 2019, respectively. This development caters to the middle market segment, and it is situated in Lipa City, Batangas. Its third, fourth, and fifth phase will offer an additional 538 open lots to its total inventory. Given the strong reception of its market, Terreno South's footprint expanded from 38 ha to 47 ha.

[4] ROCK wholly owns Rockwell Primaries as of end-June 2025.

*Rockwell South at Carmelray*
Located in Canlubang, Laguna, Rockwell South offers residential lots and house-and-lots. This is the Company's first foray in the high-end horizontal development. The first three clusters of Rockwell South were launched from September 2019 to November 2021, and were completed in 2023. Units are priced from ₱10 million to ₱47.5 million. Rockwell South is a JV project with the Yulo family.

*Lauan Ridges*
This hillside development in Lipa, Batangas spans 38 ha, offering 259 open lots in its first phase sized from 250 to 600 sqm. Lauan Ridges will feature swimming pools, a clubhouse, basketball and tennis courts, parks, among others. It is also strategically located on a property with a view of the Taal Lake and Mount Maculot. The first phase reportedly had a strong sales take-up shortly after its launch, with lots priced from ₱10 million to ₱30 million. Lauan Ridges is also close to the Company's Rockwell Center Lipa.

*Molinillo at Rockwell Center Lipa*
Serving as the Company's first development within its new mixed-use community in Batangas, Molinillo's first phase was launched in December 2024. Spanning 14 hectares, the first phase featured 207 residential open lots sized from 254 sqm to 483 sqm. Lots have an average price of ₱10 million. Molinillo will be in close proximity to pocket retail spaces, a retail development, and an educational institution. It is also near the toll exits of the Southern Tagalog Arterial Road (STAR) toll expressway, which connects to the Southern Luzon Expressway (SLEX).

*Aruga Resort and Residences*
This residential project will be situated in the Company's first mixed-use resort project, which spans 5.2 ha. Located on Punta Engaño in Mactan, Cebu, the Aruga Resort project features a 300 meter beachfront. It will feature residential units priced from ₱18.8 million to ₱247.2 million. The project also includes residential villas, which is reportedly the most expensive residential project in Cebu so far, with a total contract price (TCP) of ₱101.3 million.[5] The villas are priced from ₱64 million to ₱127.5 million.

*Edades West*
The Edades West is the latest addition to the Edades Cluster, which began with the launch of the Edades Tower and Garden Villas in 2009. Following the success of the Edades Suites, which was sold out a few months after its 2016 launch, the Company launched Edades West in late 2022. The Edades projects are located within Rockwell Center Makati. The latest development features 217 units sized from 100 to 373 sqm, with prices starting at ₱63 million. It is also inclusive of several amenities, such as pools, active areas, and libraries, and is near the Power Plant Mall Makati.

Commercial Leasing
This segment is engaged in the development, lease, management, and other related operations of the Company's commercial properties used for retail and office leasing, which includes the operation of cinemas, and hotel and resorts. As of end-2024, Rockwell had a GLA of 236,546 sqm.

[5] https://business.inquirer.net/542903/property-upside-in-the-countryside

Some of the Company's notable commercial developments are the following:

Retail

*Power Plant Mall*

Opened in 2000, the Power Plant Mall Makati is ROCK's flagship shopping center, serving as the primary leisure component of Rockwell Center Makati. In the fourth quarter of 2015 (4Q 2015), the Company commenced the expansion of the mall to offer more retail brands and restaurants. This increased the mall's leasable space by 9,679 sqm. As the demand for open and well-ventilated spaces grew during the height of the pandemic in 2020, the mall introduced Rockwell Streetside, its al fresco strip for its dining customers. The success of this launch prompted ROCK to expand this and include more restaurants in the succeeding year.

The Company will be launching its second Power Plant Mall by 2027.[6] The Power Plant Mall Angeles is situated in ROCK's 4.5 ha JV mixed-use development in Angeles, Pampanga. As such, it will be in close proximity to the Company's residential projects. The upcoming mall will have over 30,000 of GLA. It will include some of the brands and restaurants that are present in Power Plant Mall Makati. The Company intends to build its third Power Plant Mall in Rockwell Center Bacolod.

*Santolan Town Plaza*

Through its wholly owned subsidiary Retailscapes, Inc.[7], ROCK launched the Santolan Town Plaza in December 2017 in San Juan City. Metro Manila. Serving as its first community retail center, the project includes casual dining restaurants, a fitness gym, wellness and beauty centers, and four cinemas. It also has available office spaces for lease.

Office

*Rockwell Business Center Ortigas (RBC Ortigas)*

RBC Ortigas is ROCK's first venture into the office market in 2009, following the establishment of its unincorporated JV with Manila Electric Company (Meralco).[8] RBC Ortigas comprises three office towers, including pocket retail spaces.

*1Rockwell*[9]

Standing at its newly launched 3.6 ha JV mixed-use project with International Pharmaceuticals, Inc. (IPI) in Cebu, 1Rockwell is set to be ROCK's first office building outside of Luzon. The office building will cater to startups, multinational corporations, and the BPO sector. It also features green and sustainable office amenities, back-up power, and contactless access systems, with the target of attaining the LEED Silver certification.[10]

[6] https://business.inquirer.net/429917/power-plant-mall-angeles-to-add-more-luster-to-bustling-nepo-center

[7] Retailscapes, Inc. was incorporated in November 2014 to develop and operate ROCK's pocket retail projects. It is wholly owned by ROCK as of end-June 2025.

[8] On March 25, 2008, ROCK entered into a 25-year JV Agreement with Meralco to form an unincorporated and registered JV (ROCK: 70%; Meralco: 30%), referred to as an "unincorporated JV." Under the JV Agreement, the parties agreed to pool their allocated areas in the first two towers of the RBC, including the right to use the land, and to operate and manage the combined properties for lease or any similar arrangements to third parties under a common property management and administration.

[9] https://www.sunstar.com.ph/cebu/feature/ipi-center-done-rockwell-redefining-cebus-urban-landscape

[10] The Leadership in Energy and Environmental Design (LEED) certification is a globally recognized rating system for green and sustainable buildings and communities. A LEED Silver certification requires a project to earn 50 to 59 points in the U.S. Green Building Council (USGBC) rating system.

Hotels and Resorts

*Aruga Serviced Apartments*

Recognizing the growing demand for room rentals, the Aruga Serviced Apartments was launched in 2014. This is the Company's pioneer hospitality project, located within Rockwell Center Makati. Close to the Makati Central Business District (CBD) and the Power Plant Mall Makati, the serviced apartments project targets staycation goers and corporate travelers. The development has 114 units, ranging from studios to two-bedroom units. Apart from the amenities it offers, the Aruga Serviced Apartments also offers airport shuttle services.

*Aruga Resort*

The upcoming Aruga Resort is set to be ROCK's first beach resort development, which will be located in the 5.2 ha mixed-use resort in Punta Engaño, Lapu-Lapu City, Cebu. It will be situated along the strip of existing beach resorts. The resort will have around 300 rooms. The resort is scheduled to begin its construction in 2026.

**Capital Expenditures**

From 2020 to 2024, ROCK's capital expenditures (CAPEX) ranged from ₱7.2 billion to ₱17.0 billion. Most of the CAPEX was used for the development of residential projects and land acquisitions over the aforementioned historical period, particularly Edades West, Rockwell Center Bacolod, Rockwell at Nepo Center, and the Arton, among others. As of end-September 2025, ROCK has spent ₱10.1 billion on its projects and CAPEX. Moving forward, CAPEX will continue to be used for the development of existing projects and further land acquisitions.

**Land Bank[11]**

ROCK had a total land bank of more than 500 ha., valued at more than ₱10.0 billion. This total land bank was five times more than its total land bank before the onset of the COVID-19 pandemic. Majority of the land bank are located in Pampanga, Laguna, Batangas, and Bulacan. The Company expects its land bank to support revenue growth until 2028.

**Ownership**

As of end-September 2025, ROCK was 86.6% owned by FPH. FPH is a Philippine holding company incorporated and registered with the SEC since 1961. It has diversified business holdings, with interests in power generation through the First Gen Corporation (FGen), real estate through ROCK, energy solutions through First Philippine Electric Corporation (First Philec), and construction through First Balfour, Inc. (First Balfour), among others. Energy Development Corporation, a subsidiary of FGen, is rated PRS Aaa by PhilRatings for its ASEAN Green Bonds amounting to ₱12.5 billion.

**Table 4: FPH's Financial Highlights**

| In Millions PHP | 2022 | 2023 | 2024 | 9M 2024 | 9M 2025 |
|---|---|---|---|---|---|
| Revenues | 170,338 | 164,952 | 167,110 | 124,632 | 124,497 |
| EBITDA | 50,320 | 57,332 | 58,648 | 44,197 | 46,446 |
| Net Income | 23,874 | 29,056 | 24,745 | 19,439 | 20,218 |
| Total Assets | 421,459 | 472,175 | 526,938 | 513,375 | 546,018 |
| Total Debt | 130,457 | 132,090 | 161,002 | 149,364 | 175,928 |
| Total Equity | 217,470 | 244,894 | 270,972 | 262,751 | 286,386 |
| EBITDA Margin | 29.5% | 34.8% | 35.1% | 35.5% | 37.3% |

[11] https://www.bworldonline.com/corporate/2024/05/30/598364/rockwell-eyes-sales-until-2028-using-500-ha-land-bank

| | | | | | |
|---|---|---|---|---|---|
| Net Profit Margin (NPM) | 14.0% | 17.6% | 14.8% | 15.6% | 16.2% |
| Return on Assets (ROA) | 5.7% | 6.2% | 4.7% | 5.0% | 4.9% |
| Return on Equity (ROE) | 11.0% | 11.9% | 9.1% | 9.6% | 9.2% |
| EBITDA Interest Coverage (x) | 7.7 | 7.1 | 6.2 | 6.3 | 6.0 |
| DE Ratio (x) | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 |
| Current Ratio (x) | 2.0 | 1.7 | 1.7 | 1.8 | 2.0 |

FPH's total consolidated revenues slightly inched up by 1.3% to ₱167.1 billion in 2024, from ₱165.0 billion in 2023. This was on account of the positive performance of ROCK's residential developments and First Philec's sales of merchandise. Such was countered by the lower construction revenues from third-party contracts and the marginal dip in the sale of electricity. The latter notably accounted for more than 80% of the Parent Company's revenues from 2022 to 2024. Coupled with the slight 1.2% growth in total costs and expenses and lower one-off gains for the year, FPH's total consolidated net income declined from ₱29.1 billion in 2023 to ₱24.7 billion in 2024. In line with this, NPM moved downwards from 17.6% in 2023 to 14.8% in the following year. Returns were also lower in 2024. EBITDA was nonetheless more than ample to cover FPH's finance costs in 2024.

In 9M 2025, total consolidated revenues amounted to ₱124.5 billion, marginally down by 0.1% YoY. Its top line for the period was supported by the strong bookings of ROCK's residential developments, increase in First Philec's sales of merchandise, and the growth in First Balfour's construction revenues. The positive performance of the FPH's real estate, construction, and energy solution businesses was tempered by the 2.5% decline in revenues from the sale of electricity, which amounted to ₱102.2 billion for the period. Total costs and expenses meanwhile went down by 1.1% to ₱97.4 billion in 9M 2025. As such, the Parent Company's total consolidated net income recorded a slight increase of 4.0% YoY to ₱20.2 billion in 9M 2025. In line with this, margins were higher compared with the previous period. Returns, however, were lower.

FPH's total asset size stood at ₱546.0 billion as of end-September 2025, which was equivalent to a 29.6% growth from the asset size of ₱421.5 billion as of end-2022. FPH observed healthy liquidity from end-2022 to end-September 2025, consistently recording a current ratio of close to 2.0x throughout the period. On the other hand, its capital structure was kept within conservative levels, as its DE ratio remained well below 1.0x as of the same period.

FPH is owned by the Lopez Family, which is among the prominent families in the country. Federico R. Lopez, the Vice-Chairman of ROCK since 2012, is the Chairman and CEO of FPH, FGen, and EDC. He likewise holds senior and leadership positions within the FPH Group.

**Management**

Nestor J. Padilla has been serving as the Chairman of ROCK since February 2023, following the passing of Ambassador Manuel M. Lopez in January 2023. Prior to this, Mr. Padilla served as the President and CEO of the Company since 1995. He has also been a Director since 1997. He also served as a Director of ROCK's subsidiaries and companies under its Parent Company. He was also the CEO of Lippo Land in Indonesia. Mr. Padilla holds a Bachelor of Science degree in Business Management from the Ateneo de Manila University.

Valerie Jane L. Soliven has been ROCK's Director and COO since 2023. Ms. Soliven is also the Company's President since the same year, after taking over the position from Mr. Padilla, who was named as ROCK's

Chairman. Ms. Soliven has been working for ROCK for more than 28 years, wherein she was previously the Company's CRO and the Head of the Sales and Marketing team for more than 20 years. Prior to her stint in the Company, she worked for the Shangri-La Hotel in Manila and in Singapore. Ms. Soliven holds a Bachelor of Science degree in Hotel and Restaurant Administration from the University of the Philippines. She also completed the Management Development Program from the Asian Institute of Management.

Ms. Ellen Almodiel is the Chief Financial Officer (CFO) of ROCK, occupying the position since 2014. She has been concurrently serving as the Chief Compliance Officer since 2017 and as the Company's Executive Vice President. She previously worked as ROCK's Finance Manager and Manager of the Business Development Team. Prior to joining ROCK, Ms. Almodiel was a Finance Analyst and the Assistant to the Group CFO of the Alcantara Group of Companies. She holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines. Ms. Almodiel is also a Certified Public Accountant.

The knowledge and experience of ROCK's Board and its senior management in the business and the industries it is engaged in has contributed to the Company's growth, its overall operational efficiency, and its financial performance. Their leadership also steered ROCK past global crises that disrupted global economies. Most of the Company's senior leaders have also been present amid the Asian Financial Crisis, which occurred a few years after the Company began its operations, the 2008 Global Financial Crisis and the COVID-19 pandemic.

As of end-2024, ROCK and its subsidiaries had a total of 3,663 employees. Of the total, 1,182 employees were considered to be regularized employees. There were no collective bargaining agreements in place as of the same period.

**Strategy**

During the height of the pandemic in 2020, ROCK made a strategic shift to diversify its product offerings by developing properties outside Metro Manila, which was observed to have strong demand for real estate, particularly horizontal projects that offer substantial open spaces.[12]

Since then, the Company has been making a strong push to increase its offerings in these regions and strengthen its position as a prominent developer of upscale properties. Beginning in December 2024, ROCK has been actively launching residential developments outside Metro Manila, notably: (1) The Samanean at Paradise Farms in San Jose Del Monte, Bulacan; (2) Molinillo at Rockwell Center Lipa in Batangas; and (3) Lauan Ridges in Lipa, Batangas. The succeeding phases of residential projects outside of Metro Manila also commenced in 2024. Apart from residential developments, the Company has launched 1Rockwell in Rockwell at IPI Center in Cebu, its first office development outside of Metro Manila. The construction of the first phase of its planned premium beachfront community in Lian, Batangas has already begun this year. The full service hotel component of Aruga Resort and Residences – Mactan meanwhile is targeted to start construction in 2026. In December 2025, ROCK recently acquired a 74.8% stake in ACC, the owner and operator of ATC, for ₱21.6 billion. ATC is a retail and office center in Alabang, Muntinlupa, which sits on a 17.5 ha land area and reportedly has around 500 retail and office tenants. Chairman and CEO Nestor Padilla said that the scale and long-term potential of ATC could provide the Company with opportunities to further expand its presence in areas south of Metro Manila. ROCK will be

[12] https://www.pna.gov.ph/articles/1113783

looking to plan for the redevelopment of the project. ACC's existing assets will add 137,000 sqm of GLA to ROCK's existing commercial portfolio, boosting the latter's total GLA by 58%.

Adding to its flagship Rockwell Center Makati, ROCK expanded its footprint with the development of the following mixed-use communities outside of Metro Manila enumerated by Table 5.

**Table 5: ROCK's Mixed-Use Communities Outside Metro Manila**

| Community name | Location | Size (in ha) | Existing and ongoing projects within the communities* | Price range |
|---|---|---|---|---|
| Rockwell Center Bacolod | Bacolod | 32 | 188 residential lots<br>28 commercial lots | Residential lots: ₱12 to ₱18 million<br>Commercial lots: ₱111 to ₱197 million |
| Rockwell at Nepo Center | Angeles, Pampanga | 4.5 | Three condominiums<br>A Power Plant Mall | Condo units: ₱8 to ₱32 million |
| IPI Center | Cebu City, Cebu | 3.6 | One condominium<br>One office building<br>Three-floor retail area | Condo units: ₱11.1 to ₱105 million |
| Rockwell Center Lipa | Lipa, Batangas | 63 | Phase 1:<br>207 residential open lots | Phase 1:<br>Average of ₱12 million |

**These are the current developments in the respective communities as of writing date. Rockwell is expected to add more projects in these communities in the future.*

Notably, Rockwell at Nepo Center, Rockwell at IPI Center, Rockwell Center Lipa, and residential developments The Arton and Rockwell South at Carmelray are JV projects. Such underscores the Company's ability to work with local and international developers in delivering its projects.

ROCK's signature branding "Done Rockwell" represents the Company's commitment to quality, a level of prestige, and a distinctive lifestyle.[13] Particularly, the Company aims to have all its developments equipped with its brand of quality, exclusiveness, security, and convenience, even amid its transition of offering its projects in more regions in the country. It maintains an in-house team of around 229 employees with expertise in engineering and architectural disciplines to ensure projects are delivered on time according to specified quality and budget. Additionally, ROCK has wholly owned subsidiaries, such as Rockwell Integrated Property Services (RIPSI)[14] and Rockwell Hotels & Leisure Management Corp. (Rockwell Hotels)[15], to ensure that its brand of service is carried out onto its projects, even after the transfer of ownership.

President and COO Valerie Soliven stated that ROCK's revenue growth will be supported by its strong push to expand its portfolio, paired with its substantial land bank and its expertise in serving its core market guided by its Done Rockwell brand. As it celebrated its 30th anniversary this year, ROCK kept its core values of setting and raising its standards to guide its future growth in the next 30 years.

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[13] https://e-rockwell.com/a-distinct-lifestyle-done-rockwell/

[14] RIPSI was incorporated in 1999 to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities. It managed 24 ROCK properties as of end-2024. ROCK wholly owns RIPSI as of end-June 2025.

[15] Rockwell Hotels manages the Company's hotel and resort operations. It currently manages the operations of the Aruga Serviced Apartments. ROCK wholly owns Rockwell Hotels as of end-June 2025.

**Environmental, Social, and Governance (ESG)**

ROCK has been using renewable energy (RE) to power its property developments. As of end-2024, all of the Company's office and retail developments are powered by RE. Its entire office portfolio has also attained green building certifications. As for its residential developments, 95% use RE as its source of power. In addition to this, electric vehicle (EV) charging stations are available in Power Plant Mall Makati, 8 Rockwell, 1Proscenium, and RBC Sheridan. The Company works in partnership with South Korean electronics corporation, Samsung, to install the latter's WindFree cooling technology[16] in its developments. Currently, the Balmori Suites and 8 Benitez Suites utilize Windfree technology, with the Company's Cebu projects planned to equip such. As for its water management, half of ROCK's developments use recycled water for any landscaping activities. Recycled water is also used for irrigation of green spaces.

The Company also works together with the ABS-CBN Foundation, an organization founded by the Lopez Family, in providing relief goods to calamity-stricken families. Apart from this, ROCK also works with several organizations that aim to build and support communities, such as the Alay Pag-Asa Foundation, White Cross Orphanage, and Hands On Manila, among others.

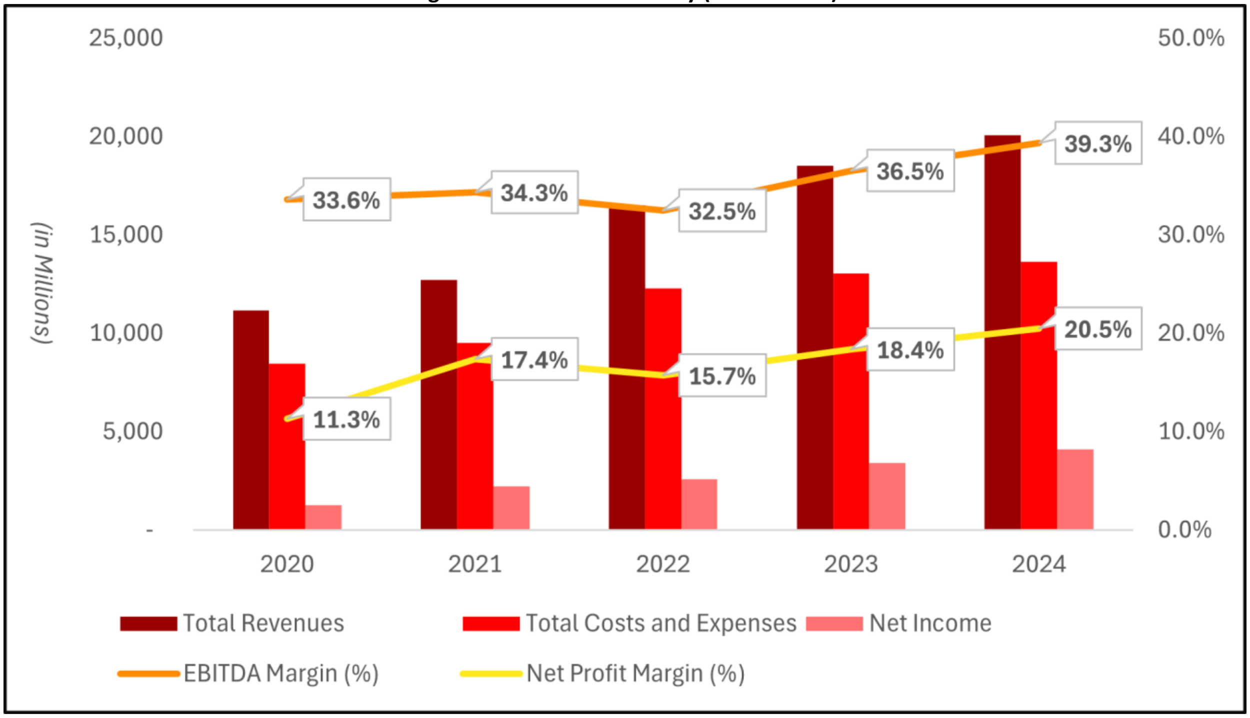
[16] This technology distributes air equally across an enclosed space, creating a comfortable environment. It is energy-efficient, as evidenced by its five-star rating in compliance with Department Of Energy's (DOE) Philippine Energy Labelling Program.

## FINANCIAL PROFILE

*Analysts' Note: PhilRatings' calculation of certain financial metrics may differ from what ROCK uses and publishes.*

### Profitability

**Figure 2: ROCK's Profitability (2020 – 2024)**




2020 – 2023

ROCK's total consolidated revenues recorded consistent growth over the historical period. It increased by 14.0% to ₱12.7 billion in 2021, partly recovering from the decline in 2020 due to the impact of the pandemic. Such would then jump by 29.7% to ₱16.5 billion in 2022, breaching its pre-pandemic revenue in 2019. Top line then continued to grow to ₱18.5 billion in 2023. Growth throughout the period was led by the strong sales performance of ROCK's residential developments. Lease income steadily increased from ₱1.2 billion in 2020 to ₱2.3 billion in 2023, providing the Company with a recurring stream of revenues throughout the period. Interest income meanwhile declined from ₱1.7 billion in 2020 to ₱1.5 billion in 2022, due to lower recognition from projects that were nearly sold out. This would jump by 39.2% to ₱2.1 billion in 2023 on the back of higher balance and rates from short term placements with banks.

Total costs and expenses similarly grew from 2020 to 2023, but was consistently slower when compared with total revenue growth. Real estate costs were on an uptrend from ₱5.9 billion in 2020 to ₱9.4 billion in 2023, in line with the increase in real estate sales. Cost and expenses jumped by 34.4% in 2022, attributed to the higher cost recognition and higher completion of several projects. G&A expenses notably dropped by 17.2% to ₱1.7 billion in 2021, on account of lower business taxes from collections and lower depreciation. Such subsequently grew to ₱2.4 billion in 2023. Selling expenses increased from ₱587.9 million in 2020 to ₱1.2 billion in 2023. As such, ROCK's operating income doubled from ₱2.7 billion in 2020 to ₱5.5 billion in 2023. EBITDA also rose by 80.4% from ₱3.7 billion to ₱6.8 billion. Moreover, the Company's operating profit margin (OPM) remained stable from 2020 to 2022, averaging 25.0%, while

EBITDA averaged 33.5% over the same period. In 2023, OPM and EBITDA margins improved to 29.5% and 36.5% respectively, on the back of the modest 1.9% increase in real estate costs for the year.

Interest expense ranged from ₱1.1 billion to ₱1.6 billion over the period. The Company's share in net income of JVs and associates was minimal, though such steadily grew from ₱338.8 million in 2020 to ₱465.7 million in 2023.[17]

Driven by the strong earnings from its property portfolio and the controlled growth of costs and expenses, ROCK's consolidated net income grew from ₱1.3 billion in 2020 to ₱3.4 billion in 2023. The bottom line in 2023 notably surpassed the pre-pandemic figure of ₱3.0 billion in 2019. NPM widened from 11.3% in 2020 to 18.4% in 2023. The Company's ROAA likewise increased from 2.0% in 2020 to 4.7% in 2023. ROAE similarly grew from 5.1% to 11.4%.

<u>2024 vs 2023</u>

ROCK sustained its top line growth in 2024, posting an 8.5% increase to ₱20.1 billion. This was driven by higher revenues from real estate sales, amounting to ₱14.6 billion (+22.4%). Such hinged on the progression of the Company's ongoing projects, which boosted the revenue recognized from these projects. Lease income was also up in 2024, growing by 9.4% to ₱2.5 billion. This was attributed to rental escalations in the Company's leasing portfolio and the additional leasable area of the retail space of the Proscenium developments. Interest income meanwhile dropped by 74.1% from ₱2.1 billion in 2023 to ₱533.5 million, due to the adoption of new accounting rules, which lowered interest income of contract balances. ROCK's steady revenue growth from 2020 to 2024 was equivalent to a CAGR of 15.8%.

Total costs and expenses increased at a more moderate pace in comparison to revenues in 2024, growing by 4.5% to ₱13.6 billion. Real estate costs, which continued to constitute the bulk of the total costs and expenses, marginally increased from ₱9.4 billion in 2023 to ₱9.7 billion in 2024 (+2.9%). The slower growth is attributable to the recognition of a significant portion of the cost of its ongoing projects in previous years. On the other hand, G&A expenses increased to ₱2.6 billion (+8.4%), due to higher business taxes and costs tied to cinema operations and personnel for the year. Selling expenses meanwhile amounted to ₱1.3 billion (+9.3%). Owing to the controlled growth in costs and expenses, operating income increased by 18.1% to ₱6.4 billion in 2024. EBITDA grew by 16.8% to ₱7.9 billion in 2024. OPM and EBITDA margin climbed to 32.1% and 39.3%, respectively.

The Company recorded an interest expense of ₱1.7 billion in 2024, up by 8.5% from 2023. This was led by higher average interest rates, higher loan balance, and the recognition of interest expense associated with the financing component for its residential projects. Share in net income of JVs and associates was down by 19.7% to ₱374.1 million, attributed to the ₱414.5 million share in net income from Rockwell Business Center (RBC) – its unincorporated JV with Meralco, partially offset by the net loss of Rockwell IPI Development Corporation (RIDC).[18]

Similar to previous years, the strong revenue generation of ROCK's property portfolio and its effective management of costs and expenses allowed the Company to record robust earnings growth. Consolidated

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[17] ROCK's Share in Net Income of JV and Associate represent the Company's share in the operations generated by Rockwell Business Center and Rockwell IPI Development Corporation.

[18] RIDC is a JV between the Company and IPI to develop parcels of land in Cebu into several real estate projects. Rockwell owns 49% of RIDC as of end-March 2025.

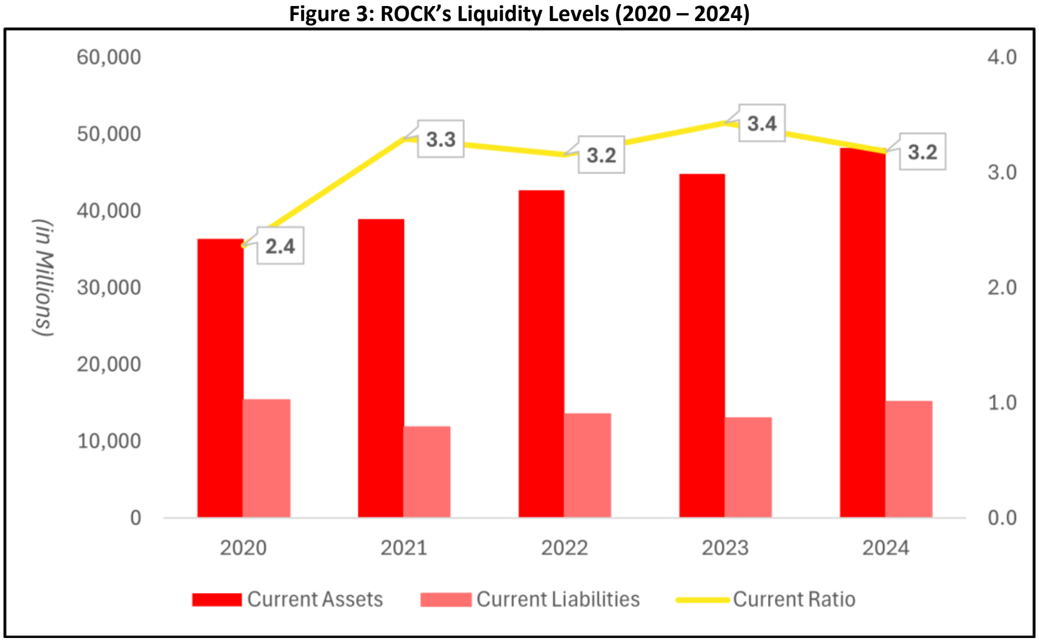
net income amounted to ₱4.1 billion in 2024, up by 21.0% from 2023. Bottom line CAGR from 2020 to 2024 was 34.4%. NPM and ROAA were likewise higher at 20.5% and 5.3% for the year, respectively.

Projected Period

Going forward, ROCK expects to sustain its earnings growth, driven by its core operations. Real estate sales will drive revenue growth, hinging on the expected reservation sales of its newly launched projects and in the upcoming launches in Luzon and Cebu. Lease income is also projected to steadily increase, as the Company completes its ongoing commercial developments. Margins and ROAA are likewise seen to improve and remain at healthy levels over the projected period.

## Cashflow and Liquidity

**Figure 3: ROCK's Liquidity Levels (2020 – 2024)**




2020 – 2023

ROCK's operations consistently generated positive operating cash flows throughout the period. Such, however, were somewhat volatile. Net cash flows provided by operations were cut in half from ₱2.5 billion in 2020 to ₱1.1 billion in 2021, on account of the increase in trade and other receivables and inventories and a decrease in trade and other payables. Operating cash flows then spiked to ₱4.7 billion in 2022, supported by a higher pre-tax income and the inflows from the Company's trade receivables. The Company also recorded an increase in trade payables, on account of higher accrued project costs. These mitigated the ₱3.2 billion increase in contract assets. Net operating cash flows declined to ₱3.6 billion in 2023, prompted by the significant increase in real estate inventories attributed to the acquisition of land. These were, however, countered by the collection upon turnover of The Proscenium, Rockwell South, 32 Sanson and The Arton.

ROCK's investing activities from 2020 to 2023 were primarily driven by movements or additions to its investment properties and property and equipment. The Company also received consistent dividends from its joint ventures during this period. Net cash flow from investing activities was generally on a downtrend from ₱1.4 billion in 2020 to ₱522 million in 2023.

ROCK's financing activities recorded net cash outflows from 2020 to 2023, mainly from the payments of its interest-bearing loans and borrowings and interest. Such payments, however, were on a downtrend throughout the period. Net cash outflows notably dropped by 88.0% from ₱3.6 billion in 2020 to ₱426.2 million in 2021, on the back of the increase in proceeds from loans. Outflows would then record a more than ninefold growth to ₱4.1 billion in 2022, as debt proceeds steeply declined. The lower debt availments could be attributed to the robust operating cash flow generated for the year. Net cash outflows from financing activities amounted to ₱2.4 billion in 2023, down by 42.2% from 2022. The lower cash outflow was attributable to lower loan payments, which was partially offset by the increase in loan proceeds.

ROCK's total cash balance grew from ₱3.2 billion as of end-2020 to ₱4.3 billion as of end-2023. The Company maintained healthy liquidity throughout the period. Current ratio jumped from 2.4x as of end-2020 to 3.3x in the following year, as current liabilities declined by 23.0% to ₱11.8 billion as of end-2021. Such was mainly on account of the lower current portion of borrowings from ₱7.4 billion as of end-2020 to ₱4.3 billion as of end-2021 (down by 40.9%). Current ratio was marginally lower at 3.2x as of end-2022, driven by the faster increase in current liabilities (+14.4%). Current portion of subscription payable more than doubled to ₱1.2 billion (+143.6%), attributable to additional subscription to RIDC. Current ratio improved to 3.4x as of end-2023, prompted by the lower current portion of subscription payable due to the payment of subscription to RNDC. This offset the 71.2% decline in trade and other receivables from ₱3.9 billion as of end-2022 to ₱1.1 billion as of end-2023.

<u>2024 vs. 2023</u>
Despite the higher pre-tax income in 2024, ROCK's net operating cash inflows contracted by 96.0% from ₱3.6 billion in 2023 to ₱144.0 million in 2024. The decline was mainly on account of the significantly lower inflow from trade and other receivables and the increase in contract assets, which was a reversal from the previous period. Nonetheless, ROCK's ability to consistently generate positive operating cash flows is acknowledged, underpinned by its significant recurring income base.

Net investing cash outflows jumped by 49.9% to ₱782.8 million, prompted by higher increase in acquisitions of investment properties and property and equipment. The increase in other noncurrent assets also contributed to the higher investing cash outflow for the period.

On the other hand, ROCK recorded a net financing cash inflow of ₱362.3 million in 2024, a reversal from the outflows of the previous year. Proceeds from borrowings grew by 80.0% to ₱6.3 billion for the year to support its expansion.

Given the aforementioned, ROCK's total cash balance decreased by 6.2% from ₱4.3 billion as of end-2023 to ₱4.0 billion as of end-2024. Notwithstanding this, current assets increased by 7.5% to ₱48.2 billion for the year, on the back of the growth in real estate inventories, primarily from land acquisitions and the consolidation of RNDC. Real estate inventories continued to account for the largest portion of ROCK's total assets, with a 35.6% share as of end-2024. On the other hand, current liabilities amounted to ₱15.1 billion as of end-2024 (+15.9%), attributable to the reclassification of a ₱5.0 billion portion of total debt as current. Current ratio remained healthy at 3.2x as of the period.

ROCK's total assets consistently grew from ₱61.9 billion as of end-2020 to ₱81.7 billion as of end-2024, which translated to a CAGR of 7.2%. The asset expansion was supported by the increasing inventory base of the Company.

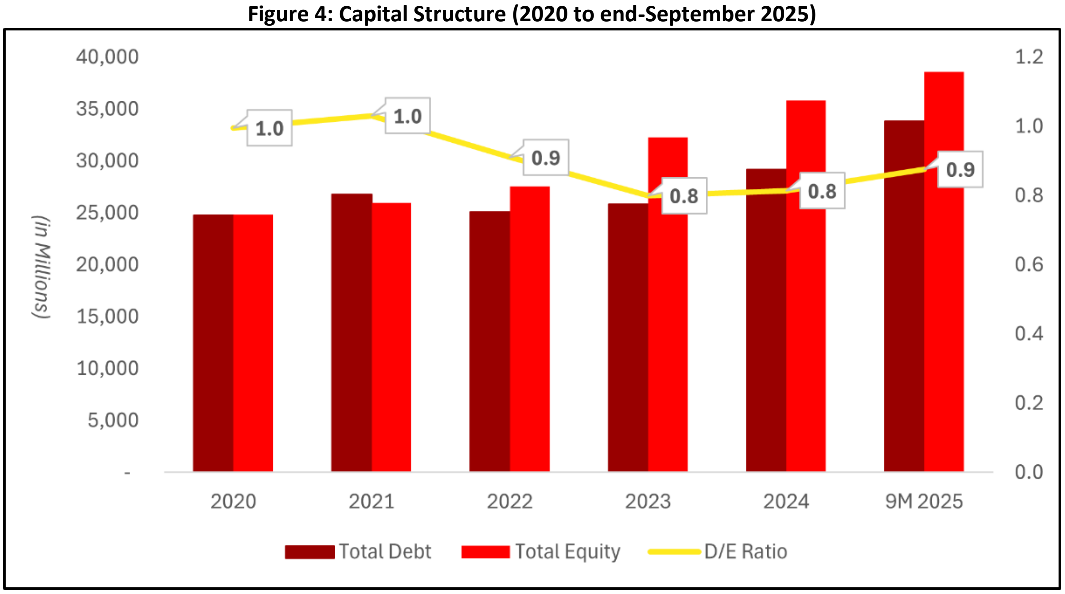
As for the aging of ROCK's trade receivables of ₱1.2 billion as of end-2024, the current balance amounted to ₱994.3 million (or 84.6%). Of the total past due balance of ₱181.6 million, close to half (₱90.3 million) or approximately 9.0% of total trade receivables are already past due for more than 90 days. None of its past due balances were impaired as of end-2024.

Projected Period

The Company will continue to fund its expansion plans with a mix of debt and internally generated cash. It will likewise utilize such mix in settling its upcoming bond issuance. ROCK expects to sustain its healthy liquidity position, with its current ratio forecasted to remain more than ample.

## Capital Structure

**Figure 4: Capital Structure (2020 to end-September 2025)**




2020 – 2023

ROCK maintained a conservative capital structure, with DE ratio improving from 1.0x as of end-2020 to 0.8x as of end-2023. Such was on account of the steady growth in the Company's total equity, driven by the plowback of earnings. DE ratio improved from 1.0x as of end-2021 to 0.9x as of end-2022, as the total debt balance was trimmed by 6.3% to ₱25.1 billion. Equity meanwhile increased by 6.1% to ₱27.6 billion as of the same year. This would further increase to ₱32.3 billion as of end-2023, which was equivalent to a 17.2% growth from the prior year. This equity expansion was supported by earnings plowback, supported by bottom line growth in 2023 and the increase in noncontrolling interests following the consolidation of Rockwell GMC Development Corporation (RGDC).[19] Total debt meanwhile grew marginally by 3.0% from ₱25.1 billion as of end-2022 to ₱25.8 billion as of end-2023. Given the aforementioned, DE ratio further improved to 0.8x as of end-2023.

2024 vs. 2023

ROCK availed of short-term loans amounting to ₱1.8 billion from various financial institutions in 2024, which contributed to the increase in its total debt to ₱29.2 billion as of end-2024 (+12.8% from end-2023).

[19] In March 2023, ROCK entered into a joint venture agreement with General Milling Corporation (GMC) to jointly develop a property into a mixed-use project with residential and retail components. Pursuant to the agreement, RGDC was incorporated. The Company will be the sole and exclusive project development manager and sole marketing and sales agent of RGDC. ROCK owned 60% of RGDC as of end-2024.

In addition to this, the Company also drew a total of ₱4.5 billion from its existing facility in 2024. Of the total debt, about ₱7.5 billion (or 25.8%) of the total has a floating interest rate. On the other hand, total equity further grew to ₱35.8 billion as of end-2024, up by 10.9% from the previous year. This growth was primarily supported by continued plowback of earnings for the year. Leverage levels remained conservative as of end-2024, as reflected by the DE ratio of 0.8x. Total debt grew at a CAGR of 4.2% from 2020 to 2024, which was lower than the 9.6% CAGR of total equity over the same period.

As of end-2024, the Company has been compliant with its debt covenants of a maximum DE ratio of 2.0x and a minimum current ratio of 1.0x.

Projected Period

ROCK intends to raise funds through the bond market, with proceeds expected to amount to up to ₱10.0 billion. The projected bond and loan proceeds will be used to fund its CAPEX and to support its continued expansion. Leverage levels are expected to remain more than manageable, backed by the plowback of earnings.

**Updates for 9M 2025**

ROCK continued to generate robust earnings, recording a 13.1% YoY growth in its bottom line from ₱3.1 billion in 9M 2024 to ₱3.5 billion in 9M 2025. This was supported by the Company's core operations, which led to the 7.0% increase in total consolidated revenues to ₱15.0 billion in 9M 2025. Revenues from the sale of real estate rose by 10.5% to ₱11.0 billion for the period, due to higher booked sales from residential projects in Metro Manila and higher recognized sales in newly launched projects. Lease income also increased in 9M 2025, rising by 9.2% to ₱2.0 billion for the period. Such was led by higher average rental and occupancy rates of the Company's commercial developments. Total costs and expenses similarly increased, but at a slower rate of 2.3% to ₱9.5 billion, driven by the lower cost incurred from residential projects. As such, the Company's margins improved in 9M 2025. EBITDA margin and NPM inched up to 43.6% and 23.3%, respectively. ROAA similarly recorded a marginal increase to 5.4%.

The Company sustained healthy liquidity levels, as its current ratio was posted at 2.9x as of end-September 2025, albeit slightly lower than the 3.2x as of end-2024. Current assets modestly increased by 4.4% to ₱50.4 billion as of end-September 2025, on account of the jump in receivables and the current portion of contract assets. Other current assets also climbed by 30.6% to ₱5.5 billion, driven by higher prepaid expenses and restricted cash from escrow accounts.[20] These were partially offset by the 3.2% reduction in real estate inventories to ₱28.2 billion, which had the largest share to total assets (31.9%) for the period. Such was attributed to the consolidation of a newly acquired subsidiary. Current liabilities grew faster, on the other hand, recording a 13.7% increase to ₱17.2 billion, backed by the higher current portion of debt.

ROCK's capital structure remained conservative, with its DE ratio at 0.9x as of end-September 2025. Total debt expanded by 16.1% to ₱33.8 billion, from ₱29.2 billion as of end-2024, spurred by the new short- and long-term loan availments made during the period. Total equity also increased by 7.8% to ₱38.6 billion, prompted by the plowback of earnings.

The Company's recent ₱21.6 billion acquisition of ACC is payable in three equal installments, payable every December from 2025 to 2027.

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[20] An escrow is a financial arrangement in which a neutral third party holds and manages funds or assets on behalf of two parties involved in a transaction until all contractual obligations are met.

**Financial Flexibility**
ROCK was listed on the PSE on May 11, 2002, while FPH was listed on May 3, 1963. As of December 26, 2025, ROCK had a market capitalization of ₱10.5 billion based on 6.1 billion outstanding shares. FPH also had a market capitalization of ₱31.0 billion based on 424.5 million outstanding shares as of the same date.

## ECONOMY

### Gross Domestic Product (GDP)

2024

The Philippine economy grew by 5.2% in the 4Q 2024, lower than the 5.5% growth recorded in the same quarter of the previous year. This brought the full-year GDP expansion to 5.6% in 2024, unchanged the previous year. Growth in 2024 was driven by the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 5.6%; Financial and insurance activities, 9.0%; and Construction, 10.3%. Among major economic sectors, Industry and Services grew by 5.6% and 6.7% in 2024, respectively. Agriculture, forestry and fishing (AFF) recorded a full-year decline of 1.6% in the same period.

With full-year GDP growth settling at 5.6% in 2024, the Philippines missed its government's revised target of 6.0-6.5% for 2024. National Economic and Development Authority (NEDA) Undersecretary for Policy and Planning Group Rosemarie Edillon attributed such to the extreme weather conditions for the year, geopolitical tensions, and subdued global demand. Among Asian countries, however, the Philippines was among the fastest growing economies in 4Q 2024, behind only Vietnam (7.5%) and China (5.4%), and ahead of Malaysia (4.8%).

Household Final Consumption Expenditure (HFCE) recorded a 4.7% YoY growth in 4Q 2024, supported by the increase in the following: Miscellaneous goods and services, 7.7%; Transport, 10.9%; Health, 11.5%; Food and non-alcoholic beverages, 1.3%; and Restaurant and hotels, 5.3%. For full-year 2024, HFCE grew by 4.8%, slower than the growth rate recorded in 2023 of 5.6%. Government Final Consumption Expenditure (GFCE) was likewise up by 9.7% in 4Q 2024. Full-year GFCE growth in 2024 settled at 7.2%, considerably higher than 0.6% in 2023.

3Q 2025

In 3Q 2025, the country's GDP grew by 4.0%, slower than the 5.5% in the previous quarter and the 5.2% in 3Q 2024. The latest recorded growth was also the slowest posted since the 3.8% contraction in 1Q 2021. This brought the country's year-to-date economic growth to 5.0%, below the 5.5%-6.5% target for the year. Growth was driven by the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 5.0%; Financial and insurance activities, 5.5%; and Professional and business services, 6.2%. For the major economic sectors, Industry, Services, and AFF grew by 0.7%, 5.5%, and 2.8%, respectively.

HFCE was up by 4.1% in 3Q2025, also slower than the 5.3% growth in 2Q2025 and the 5.2% in 3Q2024. Growth for the period was supported by the increase in the following: Food and non-alcoholic beverages, 4.2%; Health, 11.3%; Miscellaneous goods and services, 3.7%; Restaurants and hotels, 5.9%; and Transport, 4.4%. Gross capital formation (GCF), or Investments, decreased by 2.8% in 3Q2025, driven by the 0.5% decline in Construction for the period. This is amid the reported corruption surrounding public infrastructure projects.

Inflation and Interest Rates[21]

In December 2024, inflation settled at 2.9%. This brought the 2024 average inflation rate to 3.2%, well within the 2.0%-4.0% target of the government. Such was also a notable improvement from the 6.0% average inflation rate recorded in 2023. Considering the easing inflation in 2024, the Bangko Sentral ng Pilipinas (BSP) reduced the policy rate by a total of 75 basis points (bps) during the year, bringing it down to 5.75% by end-2024.

According to the Philippine Statistics Authority (PSA), inflation slowed to 1.5% in November 2025, down from October 2025's 1.7% and November 2024's 2.5%. Core inflation, which does not include volatile commodities such as food and energy, marginally decreased from 2.5% in October 2025 to 2.4% in November 2025. Considering the November 2025 figure, year-to-date headline inflation was 1.6%—below the BSP's 2.0%-4.0% target band.

On December 11, 2025, the Monetary Board decided to further reduce the benchmark policy rate by 25 bps to 4.5%, citing manageable inflation. The BSP has therefore reduced policy rates by a total of 125 bps since the beginning of 2025.

Outlook[22]

In June 2025, the Philippine government lowered its growth target for the year and narrowed its growth goals for 2026 to 2028. The revised targets reflected global uncertainties stemming from tensions in the Middle East and shifts in United States trade policies. GDP growth for 2025 is now projected at 5.5%-6.5%, down from the earlier forecast of 6%-8%. GDP targets for 2026-2028 were narrowed to 6%-7%, from the previous range of 6%-8%.

The government also trimmed its inflation assumption for 2025, lowering it to 2%-3% from 2%-4%, but maintained its inflation outlook for 2026-2028 at 2%-4%. It also revised its fiscal program, with the budget deficit as a share of GDP now expected to widen to 5.5% in 2025 and 5.2% in 2025, from previous forecasts of 5.3% and 4.7%, respectively.

In December 2025, the World Bank trimmed its growth forecasts for the Philippines to 5.1% for 2025 (from 5.3%) and 5.3% for 2026 (from 5.4%). It cited weaker domestic investment, decreasing business confidence amidst ongoing corruption scandal, declining foreign direct investment, and drag of recent natural disasters. In 2027, however, the Washington-based lender expects modest recovery as growth will inch up to 5.4%, supported by resilient consumption and easing inflation.

Similarly, Japan-based Nomura Group now projects a growth of 5.3% for 2026 (lower than initial forecast of 5.6%), in consideration of ongoing political uncertainty, soft fiscal spending, and persistent external risks. DBS Group Research likewise expects the Philippines to face headwinds in 2026, with forecasted growth at 5.0%.

[21] https://mb.com.ph//10/09/bsp-lowers-rate-to-475-amid-weaker-growth-outlook-infra-spending-woes
[22] https://business.inquirer.net/563460/world-bank-trims-growth-forecasts-for-the-philippines
https://www.philstar.com/business/2025/12/05/2491916/philippines-faces-tough-economic-outlook

## INDUSTRY[23]

### Residential

According to Colliers Philippines (Colliers), 7,800 units were added to Metro Manila's inventory in 2024, lower than the 11,290 projected units for the year. Launches from developers were tempered due to the large number of unsold condominium units. Colliers found that there were 74,400 unsold units in the National Capital Region (NCR) in 2024. Of the total, around 26,300 units were RFO units. Colliers mentioned that it would take around 8.2 years to fully sell out the unsold RFO units.[24] Most of the unsold RFO units in the region were from the mid-income segment. Colliers, along with Santos Knight Frank Philippines (SFK), said that real estate developers have been launching more units from the luxury segment. Such accounted for 41% of the total launched units in 2024 (from 20% in 2023). On the other hand, house and lot projects and lot-only projects had better absorption, particularly in regions outside of NCR. Such projects also had notable price increases from 2016 to 2024.

Take-up in the Metro Manila condominium market was recorded at 5,900 units in 3Q 2025, which was more than double the take-up recorded in the region in the previous month. This was also the highest quarterly take-up recorded in the previous nine quarters. Colliers believes that the mid-income condominium market is beginning to show signs of revival, as its take-up grew for the second straight month. This was attributable to the discounts offered by developers to deal with its condominium inventory. Of the total 10,800 condominium units launched in Metro Manila in 9M 2025, nearly two-thirds (or 64%) are accounted for by the mid-income segment. Vacancy marginally increased from 24.5% in 2Q 2025 to 25.0% in 3Q 2025.

Colliers expects a total of 8,610 units to be completed in 2025, with more than 60% of the new supply located in the Bay Area. Such is seen to be the largest residential hub in Metro Manila, with 30% of the capital region's total supply by end-2025 expected to be located in the sublocation. Vacancy is projected to settle to 26.5% by end-2025, which would be the highest recorded figure of the region. This projection hinges on the lingering effects of the POGO ban. Moving forward, lower condominium units are forecasted to be completed annually until 2029. Vacancy meanwhile will hover between 23.0% and 25.0% in the next three years. The policy rate cuts of the central bank, however, are seen to support property demand.

### Retail

From 3Q 2024 to 1Q 2025, Colliers recorded 250,000 sqm of new retail space completed in Metro Manila. Such was attributable to the additional space from the SM Mall Of Asia expansion in Pasay City. Retail space vacancy improved from 15.1% in 3Q 2024 to 13.1% in 1Q 2025, following significant absorption from newly completed malls in NCR. This also marked the lowest vacancy rate in the capital region since 13.8% in 3Q 2021. Rent prices only recorded a marginal 0.6% YoY increase despite the substantial space added during the period. The capital region is projected to end 2025 with a total of 270,000 sqm of new retail space. Rent is expected to rise by 1.6% in 2025. From 2025 to 2027, Colliers forecasts an average of 158,300 sqm of new mall spaces to be delivered annually.

From 2Q to 3Q 2025, Metro Manila added 15,000 sqm of new retail space to its inventory, following the expansion of existing malls in the capital region. Take-up of retail space was recorded at 143,800 sqm for the period, as vacancy improved from 13.1% in 1Q 2025 to 11.4% in 3Q 2025. This was the lowest recorded vacancy rate since 1Q 2020. Take-up was strong in malls that recently finished its expansions (Greenhills

[23] Colliers Philippines Real Estate Market Reports

[24] https://tribune.net.ph/2025/03/21/it-will-take-82-years-to-clear-condo-oversupply#

Mall, Gateway Mall 2, and SM Mall of Asia). International clothing, personal accessory, and home furnishing brands were among the retailers that contributed to the improved vacancy rate for the period.

Colliers expects 265,000 sqm of mall spaces to be leased in Metro Manila in 2025, driven by the expansion of mall developers. Food and beverage (F&B) retailers are expected to absorb the most retail space for the period, similar to the previous trends. Home and furnishing businesses are seen to present real estate developers with growth opportunities, which was evident in the entry of IKEA, Anko, and Flying Tiger Copenhagen in retail centers in the capital region. Clothing and footwear brands will also drive improved take-up in retail centers. More foreign brands have also opened up shop in Philippine malls, supported by the country's consumption-driven economic model. Colliers projects vacancy to dip further to 13.0% by end-2025, driven by the limited new supply for the remainder of the year and the upcoming holiday season. It also retained its expectation of mall vacancy rates returning to pre-COVID levels by end-2026. Some retail developers reportedly already had higher consumer traffic than its pre-pandemic levels.

**Offices**

Net take-up in the capital region in 9M 2025 was 215,100 sqm, surpassing Colliers' full-year projection of 150,000 sqm for 2025. A total of 181,000 sqm of new office space was completed in Metro Manila in 2Q 2025, on account of the completed offices in Makati CBD, Ortigas CBD, Quezon City, and Parañaque. This brought the total amount of new office space in the capital region to 347,100 sqm in 9M 2025. Vacancy improved QoQ to 20.0% to 19.8% in 3Q 2025, due to strong transactions and take-up. Average rent was stable for the quarter, while rent in Makati and Fort Bonifacio saw slight increases. Office space transactions in Metro Manila reached 674,900 sqm in 9M 2025, which was 11% higher YoY. Transactions made in Fort Bonifacio, Ortigas CBD, Makati CBD, and C5 Corridor accounted for nearly two-thirds of the total transactions in 9M 2025. In areas outside of the capital region, transactions were up by 14% YoY to 210,000 sqm. More than half of the deals were made in Cebu, followed by Pampanga, and then Iloilo.

Metro Manila is projected to record 399,000 sqm of new office space in 2025, lower than the initial forecast of 525,500 sqm. Year-end vacancy projection was revised downward from 21.4% to 19.8% by end-2025. Primary CBDs such as Makati, Fort Bonifacio, and Ortigas are seen to record healthier vacancy in 2025 compared with the Bay Area, as well as the Makati and Alabang Fringe. Meanwhile, demand for office space is expected to remain strong in Pampanga, Cebu, Bacolod, Iloilo, and Davao. Metro Manila rent is expected to increase by 1.2% in 2025. About 359,600 sqm is expected to be added to the capital region's office supply yearly from 2025 to 2028. More than half of the expected new supply will be in Fort Bonifacio, Quezon City, and the Ortigas Fringe. Colliers also expects more than half of the new supply to have green certifications.

**Hospitality**[25]

Based on the data of the Department of Tourism (DOT), the Philippines welcomed 5.9 million international arrivals in 2024, slightly more than the 5.5 million arrivals in 2023. This is lower than the targeted 7.7 million arrivals in 2024, prompted by the drop in arrivals from Chinese visitors. Arrivals from South Korea accounted for the largest contribution of the total arrivals in 2024 with 1.6 million visitors, followed by arrivals from the United States, Japan, and Australia. Despite missing the target, the DOT reported that

[25] https://business.inquirer.net/499567/record-high-naia-passengers-topped-50m-in-2024
https://www.philstar.com/business/2025/10/22/2481685/philippines-lags-peers-government-bets-china-evisa-restart
https://www.ttgasia.com/2025/10/16/philippine-tourism-turns-to-local-market-amid-declining-international-arrivals/

tourists have been spending more in the country, with receipts reaching ₱760 billion in 2024. This marked a notable growth from the ₱600 billion in 2019. The Ninoy Aquino National Airport (NAIA) also recorded a passenger volume of 50.1 million visitors in 2024, the highest volume the airport has recorded. This broke past the airport's annual capacity of 35 million passengers and the pre-pandemic passenger volume by 5.1%.

Foreign arrivals numbered 4.3 million, which was 2.4% lower when compared with the arrivals in the same period last year. This was on account of the continued decline in visits from the Chinese. Only 97 hotel rooms were added in the hotel room supply in Metro Manila in 1H 2025. Hotel occupancy in the capital region remained at 64% in 1H 2025. Average daily rates (ADR) grew by 3.7% half-on-half (HoH) in 1H 2025, which was spurred by the 9.0% growth in ADR of five-star hotels. On the other hand, three- and four-star hotels registered slight ADR declines.

Metro Manila is expected to have 1,500 new rooms to be added to its supply in 2025. This is lower than the initial estimate of 2,700, however, on account of delays in construction. From 2025 to 2027, an annual average estimate of 1,600 new rooms will be added in Metro Manila. The Bay Area and Quezon City will take up more than half of the projected new supply during the period. Occupancy is expected to stay above 60% by the end of 2025. ADR is expected to grow by 6.0% in 2025, supported by the spike in demand from domestic and international travel markets. The country is banking on the resumption of the e-Visa program for Chinese tourists in November 2025 to prop up its arrivals for the year.